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Approved For Release 2001/08/14 : CIA-RDP80-00473A000300020005-6

Executive Registry 020005-6 3604441

7 March 1977

MEMORANDUM FOR: See Distribution

SUBJECT

: Follow-up to the President's 5 March Memorandum to Various Addressees Including Admiral Turner (ER 77-3644)

- 1. The Vice President will chair a meeting at 1645 hours, 8 March, and the agenda is substantially as follows, and attendees will be Secretary Vance, Attorney General Bell, Dr. Brzezinski, Admiral Turner, Counsel to the President Lipshutz, and Dr. Schlesinger.
 - a. A brief discussion of the IOB. Purpose is to review the operation of the IOB in order to get a fresh recommendation in the form of a note to the President on the functions of the IOB, with the objective to strengthen the role of the IOB oversight function.
 - b. Vice President's general discussion of the same issues raised at his press conference. See <u>Washington Post</u> article of 5 March, "Mondale Eyes Civil Penalties for Leaks," (attached).
- c. Who gets what intelligence information in the Executive Branch, what remedies there are and improprieties on part of the Intelligence Community. What penalties there are now or could be developed for unauthorized disclosure.
 - d. Who gets what in the Legislative Branch and how to cut down on the number of people who get this information and at same time how do we continue to shape our legislative requirements. How to be responsive, i.e., get through our necessary appropriations, oversight committee hearings, and legislative requirements and still cut down on the number of people who have access. BCE Note: Mr. Knoche's letter to Vice President Mondale may be relevant (attached).
- 2. The purpose of the meeting is to undertake general discussions of the guidelines that might be developed to cover sanctions for disclosure and whether one needs additional criminal penalties. It is the President's desire to obtain some resolution of what appears to be a difference of opinion between Vice President Mondale and Admiral Turner and the Executive Branch.

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3. It will be useful to Admiral Turner if we can provide him with facts about incidents of disclosure within the Intelligence Community, how often specific cases, etc.

Hurriedly,

25X1A

B. C. Evans
Executive Secretary

Attachments

Distribution:

Admiral Turner

Mr. Knoche

Mr. Tony Lapham

Mr. Blake

Mr. Wells

Mr. Cary

Mr. Gambino

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VICE PRESIDENT MONDALE
... eyes civil penalties

Secrets Leaks Not Criminal, Mondale Says

By David S. Broder
Washington Post Staff Writer

Disagreeing with the newly named director of the Central Intelligence Agency, Vice President Mondale said yesterday he is "personally opposed" to the imposition of any criminal penalties on government officials who allow national security secrets to become public.

Mondale said he would support some form of "civil remedies for unauthorized disclosure." but disagreed with the suggestion by Adm. Stansfield Turner, the new CIA director, for criminal penalties on national-security leaks.

"I would find it very difficult to accept the system of criminal penalties," Mondale said in an interview with The Washington Post. "I don't think it works and I don't think it should work."

Referring to his study of past abuses by intelligence agencies when he was a member of a Senate investigating committee, Mondale said he had concluded that "the best protection the President has from abuse... of his authority by subordinates is the... fear that they may be caught and they may read about it in the press."

Mondale was the highest-ranking administration official to discuss the subject of security leaks since. Turner told senators at his confirmation hearing that he would "certainly be very amenable" to developing and advocating criminal legislation to stop leaks by security officers.

See MONDALE, A4; Col. 5

Mondale Eyes Civil Penalties for Leaks

MONDALE, From A1

The Vice President said he had not discussed the issue with Turner or with President Carter, who said at his last press conference that he believed such leaks could be "extremely damaging."

The discussion was provoked by the publication by The Washington Post of information that the CIA had supplied Jordan's King Hussein with millions of dollars over a period of years for both personal and intelligence uses.

Mondale, who had previously said he was unaware of those payments when he was a member of the 1975-76. Senate committee investigating the CIA, told Post reporters and editors that his memory may have been mistaken.

"I did not recall hearing about the Hussein thing," he said, "but I have checked since, and I am told that at least the records show that I was at a meeting where that was reported. I just plain don't remember it."

Mondale said he thought "many functions" subsidized through such payments were "perfectly legitimate," but said he was not fully briefed on "the specific grant or whatever you call it" to Hussein.

He said he supported the President's efforts to reduce the number of executive branch employees with access to such information and hoped Congress would reduce the numbers of its members who received such briefings.

Mondale said a reduction in the number of officials given such information could be achieved without damaging the principle of political accountability by the intelligence agencies to the President and Congress.

He also said he would have no objections to dismissal from office or other civil penalties being invoked against officials who violate a pledge of confidentiality on secret materials, but he ruled out criminal penalties of any kind.

In the interview, the Vice President also strongly defended Carter's "human rights" campaign as both effective and principled.

"There have been several examples around the world of political prisoners being released and emigres being permitted to leave" he said. "I think there is evidence that when this country speaks in meaningful, consistent ways about human rights and the people around the world get the idea that we might mean it, there are very desirable reactions in a host of societies."

On domestic issues, Mondale said he thought relations between the new administration and Congress are better than the press reports." But he also said Carter "feels. very deeply" about the 19 water projects he cut from the budget and might be willing to risk a veto-battle with Congress on the issue.

The President omitted funds for 19

major Corps of Engineers and Bureau of Reclamation projects from his budget, provoking cries of pain and outrage from the legislators in the affected states.

Some members have speculated that Carter would use the projects as bargaining chips to get energy and other controversial legislation through Congress, but Mondale said "I know for a fact" that is not the ease.

"I went to him personally when I heard what he was planning. I said, "This is going to be rough politically.' He said, 'I know it, but I feel very deeply about it... and if you can't control waste of this kind. I don't know how you can get a hold of the budget.'"

Mondale said Carter "does not want to get into government by veto the way we had it . . . under some of the previous Presidents, but that is a remedy that is available if he feels deeply about something."

But, despite this threatened action, Mondale said he thought the "objective criteria" of executive-congressional relations are good. Citing recent victories on reorganization authority, the budget and the economic stimulupackage and a series of nomination the Vice President said things are "moving quite well."

He also took an optimistic view of the appointments process, conceding that "it's taken us longer than we expected" to fill departmental posts, but predicting that "two months from now...I'm not sure....how serious it will be."

The Vice President said there were several reasons for the slowdown in sending nominations to Congress for confirmation.

"We've: simply swamped" the FBI with names, he said, slowing the typical clearance period from 10 days to four or five weeks. Strict conflict-of-interest standards have required "a good deal of time" for some nominees to "rearrange their affairs"

The President's desire to give his Cabinet appointees a major voice in staffing their departments and the search for qualified women and minority applicants have also entailed delays Mondale said.

Finally, "consultations" with mem-

Finally, "consultations" with members of Congress have often taken "unbelievable amounts of time," he said.

"I was given one particular job...
and at the end of three-weeks I told
the President I thought we should
abolish the office. No matter who was
recommended, there was somebody
else that didn't like him."

But, Mondale said, "the tempo is picking up much more rapidly" on appointments, and the problem should diminish.

As for his own role, Mondale said that despite the problems between past Vice Presidents and Presidents, "President Carter and I get along perfectly as far as I can tell."

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Approved For Release 2001/08/14: CIA-RDP80-00473A000300020005-6 CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

Descrive Regions

25 February 1977

The Vice-President
The White House
Washington, D. C. 20500

Dear Mr. Vice-President:

In accordance with your suggestion, we have reviewed the problems arising from the unauthorized disclosure and publication of information relating to clandestine Agency operations. We believe there are several areas where modifications in the manner and form in which the Agency reports on highly sensitive clandestine operations to reviewing authorities in the Executive and Legislative Branches of government could immeasurably improve the security of this information without materially affecting oversight of the Agency.

The two enclosed memoranda suggest changes in the procedures under which we transmit sensitive information outside the Agency, changes we believe will help prevent further unauthorized disclosures of sensitive information. One concerns proposals relating to Agency reporting to Congressional authorities and the other relates to Agency reporting within the Executive Branch. I have taken the liberty of sending a copy to Dr. Brzezinski.

Respectfully,

E.H. Knoche Acting Director STATINTL

Enclosure



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MEMORANDUM

SUBJECT: Proposals to Improve Security of Sensitive Information Disseminated Within the Executive Branch

Proposals Affecting Reporting to the Special Coordination Committee (SCC), the SCC Special Activities Working Group (SCC/SAWG), and the National Security Council (NSC)

- A. Currently the Agency is required to report to these groups periodically on covert action operations and sensitive intelligence collection programs. The following options would limit the flow of sensitive documentation through these channels and establish tighter and more effective controls over sensitive documents:
 - 1. Limit to the maximum extent possible compendium reports that place into a single document detailed information on all ongoing covert action and sensitive intelligence collection programs. Specifically, eliminate the requirement for a comprehensive written semi-annual report to the NSC on ongoing covert action and sensitive intelligence programs. A more flexible requirement might call for the NSC to determine in the case of each program the timing of periodic reviews.
 - 2. Adopt a procedure whereby, at the discretion of the National Security Advisor, the SCC/SAWG can be bypassed on highly sensitive programs. In these cases, proposals would be distributed directly to the SCC principals on an Eyes Only basis.
 - of SCC papers are distributed in advance to members of the SCC/SAWG. Future working drafts would be under the control of the SCC/SAWG staff secretary at all times. Under this arrangement working drafts would be distributed in the White House Situation Room prior to the SCC/SAWG meeting and returned to the SCC/SAWG secretary for retention or destruction at the end of the meeting.
 - 4. Number, assign by name, and log all papers sent to the SCC and the SCC/SAWG.

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- 5. Require that all documents sent to SSC principals other than the DCI be returned to the NSC for retention/destruction upon completion of the review/approval process.
- Adopt a mandatory rule that SCC documents will not be copied.
- 7. Adopt standards to minimize the amount of sensitive operational detail to be included in SCC proposals such as the identity of persons, organizations, and sensitive technical data.
- 8. Consider establishing a new category of compartmented clearance for information on covert action and sensitive collection operations. Require separate secrecy agreements for all persons within the Executive Branch who have this clearance, establish a "bigot" list (a list of persons cleared) for the new category, and restrict access to such information to an absolute "need-to-know" basis. Strictly enforce procedures to require prior clearance and execution of a secrecy agreement before permitting access to documents or attendance at meetings for the discussion of such information.
- B. Under E.O. 11905, the intelligence agencies are required to report known or possible illegalities and improprieties to the Intelligence Oversight Board. There appears to be no problem at present in the initial reporting channels. However, the IOB does report to the President, and on occasion may feel it necessary to consult with other government agencies/departments, which in turn may report to the President through additional channels. Steps should be taken to review these channels of reporting, following initial submissions by the intelligence agencies, to ensure restricted access to documents and proper arrangements for their protection.
- C. Consideration should be given to providing reports to IOB orally in instances of great sensitivity.

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MEMORANDUM

SUBJECT: Proposals to Improve the Security of Sensitive Information Provided to Congress

- I. The greatest problem with regard to providing sensitive information to Congress is the large and growing number of congressional committees, and Members of Congress and staff personnel who have access to many of this nation's most sensitive intelligence secrets. For example, under the terms of the Hughes-Ryan Amendment and Senate Resolution 400, seven committees of Congress now receive varying degrees and types of sensitive operational intelligence information. Some 55 Members serve on these committees and some 15 committee staff members are cleared to receive information. Further, House rules provide that all 435 members of the House of Representatives can technically demand access to sensitive intelligence information and to attend committee briefings at which intelligence matters are discussed.
- II. Changes which Could be Implemented by Simply Altering Procedures Under Existing Laws
 - A. Agree that all reporting to Congress on sensitive intelligence matters be oral with no transcripts.

This may not be feasible with regard to appropriations matters or to Case Act reporting, subjects which require written notification to Congress and transmittal of the relevant documentation itself.

- B. Restrict the amount and specificity of written budget material provided Congress.
- C. Make more uniform than at present the procedures governing access by congressional staff personnel to sensitive briefings and material, and reduce the number of congressional staffers granted access thereto.

The rules of the Senate Select Committee, which spell out procedures on non-disclosure, establish secrecy oaths, and place tight controls on paper flow, afford some guidelines in this area.

- D. Establish a Joint Congressional Intelligence Committee to reduce present Congressional access to sensitive intelligence information. This would minimize proliferation of such information while meeting legitimate Congressional requirements for oversight of the National Foreign Intelligence Program. The Joint Committee should have exclusive jurisdiction over budget and appropriations matters.
- E. Establish an Intelligence Committee in the House with exclusive oversight and legislative responsibility over the CIA until such time as a Joint Congressional Committee can be established.
- F. Obtain Congressional acceptance of jurisdictional exclusivity of the Senate Select Committee and the proposed House Intelligence Committee.
- G. . Modify House and Senate rules on procedures to specifically provide protection for intelligence information.
 - 1. In the House, such rules should allow the intelligence oversight committee or committees to go into executive session at the committee's option; to limit attendance as necessary to protect against disclosure or further dissemination of sensitive intelligence information; and to allow these committees discretion on access to their records.
 - 2. Make the rules and procedures adopted by the Senate Select Committee on Intelligence applicable to the entire Senate.
- H. Obtain acceptance by the Senate and House oversight committees of a procedure for the joint signature by designated Members or their staff and the appropriate Executive Branch officers of Executive/Congressional communications involving sensitive intelligence matters. This would create a new category of documents which would technically constitute neither Committee records (thus being unavailable to other Members under House Rule 11) nor Agency records subject to Freedom of Information Act requests.



III. Options Requiring Changes in Existing Law

- A. Repeal or amend the Hughes-Ryan Amendment in recognition that the inclusive oversight responsibilities of the Senate Select Committee and the proposed House Intelligence Committee would provide that those committees receive reports on operations other than activities intended solely for obtaining necessary intelligence.
- B. Amend the Hughes-Ryan Amendment to specifically provide that only a single joint committee or single committees in each house--depending on changes to the present oversight committee structure--would receive the reports currently required.
- C. Enact legislation to provide criminal penalties for unauthorized disclosure of intelligence sources and methods by any person in authorized possession of such information as a result of an official relationship with the U.S. Government. Such legislation would act as a deterrent to public disclosure of sensitive intelligence information but, of course, should not extend to disclosures pursuant to lawful Congressional demand.

Letter to: The Vice President

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cc: Dr. Brzezinski STATINTL

> f (25 Feb 77) A/DDC:

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STATINTL

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Approved For Release 2001/08/14 : CIA-RDP80-00473A000300020005-6 CONFIDENTIAL WASHINGTON Bell Brigas. Please arrange a two-to-Three hour masting early next week to give me a recom. mendation on werelf police, and individual Cases Concerning intelligence and national security. The Vice headens should Proside. Subsaguently I will nearly with appropriate Confressional Peadors

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MEMORANDUM FOR:

STATINTL

Mr. Jack Blake dropped off the attached and asks that you pass to Mr. Sorensen. paper responds to questions Mr. Sorensen put to Mr. Blake Tuesday night.

STATINTL

13 Jan 77 - 2:55 pm

(DATE)

DD/A Registry
File Meetings

13 January 1977

MEMORANDUM FOR: Mr. Theodore C. Sorensen

FROM

John F. Blake

Deputy Director for Administration

Sir:

- 1. This paper presents a series of attachments which are responsive to matters discussed between us on Tuesday, 11 January 1977. The attachments address the following subjects:
 - -- Attachment A--an unclassified statement containing justification for your use of a Government-provided vehicle and driver.
 - Attachment B--this attachment is an unclassified statement which represents your endorsement of the Peterson Pay Commission. We have endeavored to associate your support with relevant facts pertaining to CIA. For your information, there is a total in the Agency who are compensated at either the Executive-Level pay position scale, the supergrade scale (GS-16, GS-17, and GS-18), or the Scientific Pay Scale. I have also included, for your background, at Attachment B a letter sent by Director Colby to the President on 13 January 1975 which addresses itself to this same general issue.

Attachment C--this attachment presents the facts on those individuals brought into the Agency by both Mr. McCone and Dr. Schlesinger to serve them in a direct supporting staff capacity.

DOWNGRADED TO UNCLASSIFIED UPON REMOVAL OF ATTACHMENTS "A" and "D"

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-- Attachment D--this attachment acquaints you with the authorized strength of the Offices of General Counsel and Legislative Counsel, as well as the Intelligence Community Staff.

2. I would also like to take this occasion to follow through on several other matters we have discussed. We have put under a consultant contract at a fee of \$152.32 per day, effective 12 January 1977. I had a pleasant session with and have given him a brief historical orientation on the Agency, as well as a briefing on our organizational structure, and have acquainted him with the names of the senior officers. He has also had a discussion with Mr. Gambino designed to acquaint him with our security culture and discipline.

I am also making arrangements for a who performs real estate functions for the Agency, to meet with next week and give her further orientation.

has need to be in New York City and looks forward to the opportunity to perform this courtesy.

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John F. Blake

5 Atts

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STATEMENT ON PETERSON PAY COMMISSION

During the last 18 months, we lost the services of about 14 percent of our executive staff through voluntary retirements or resignations below age 60. represented more than 1,750 man-years of progressive Agency experience leading in each case to the exercise of senior executive responsibilities of the officers concerned. Although not expected to retire before age 60, the average age of those who retired at the GS-16 level was 55; at GS-17, 49; at GS-18, 52; and the Executive Pay level averaged 57 years of age. These retirements before 60 represent a loss of approximately 467 potential man-years which would have been provided by these experienced personnel. It is our considered judgment that a great number of these individuals would not have departed had there been a more equitable compensation arrangement. This is true because not only would their current income have been at a higher level, but it would have guaranteed an appreciably higher pension income for life.

The contribution which these officers might have made, and which is now lost, is impressive. They were experienced senior officers in operations; in the analysis of economic, strategic forces, political intelligence; in our world-wide communications systems; and in managing support to the Agency's operations.

While this loss of executive talent is serious, I believe the pay ceiling is equally damaging through its intangible effect on the morale of senior officers in those levels wherein the lack of equitable compensation still exists.

In the interest of this Agency and, of course, the entire Federal service, I commend to you the support of appropriate legislation to provide an early lifting of this very serious restriction on our ability to attract, stimulate, and keep the very best personnel at executive levels.

Exactive Registra

13 JAN 1975

The President
The White House
Washington, D. C. 20500

Dear Mr. President:

The Civil Service Commission recently made a study of the impact of the 135,000 pay ceiling for Federal employees. This Agency's experience was not included in that study for security reasons, but I believe you would also be interested in the damaging effect of that ceiling on the management of CIA's personnel resources.

As of 1 July 1973. Executives under age 60 were on duty in this Agency. From then through the end of December 1974, we lost the services of about 22 percent of that number through voluntary retirements below age 60. This represented mere than 2,000 man-years of progressive Agency experience loading in each case to the exercise of senior executive responsibilities by the officers concerned. Although they were not expected to retire before age 60, the average age of these who retired at the GS-16 level was 54; at GS-17 it was 53; and those who retired at GS-18 and the Executive Pay level averaged 55 years of age. These retirements before 60 represent a loss of approximately 535 potential GAR-years which would have been provided by these experienced personnel.

The contribution which these officers might have poses is impressive. Thirty-nine were senior geographic specialists in covert collection operations: 25 were expert in the snalysis of economic, scientific, photographic, and political intelligence; seven were involved in directing our worldwide communications system and 17 in managing support to Agency operations. Although all of these were influenced to retire by several factors, the 156,000 pay calling was cartainly a factor of some significance in each case.

STATINTL

While this loss of executive talent is serious, I believe the pay ceiling is even more damaging through its intengible effect on the attitudes and behavior of senior officers in those levels wherein it precludes pay distinctions. The fundamental nature of our society denies the wisdom of removing pay incentives from those factors which motivate performance exong our most responsible Federal officials.

In the interest of this Agency and, of course, the entire Federal service, I commend to you the support of appropriate logislation to provide as early lifting of this very serious restriction on our ability to attract, stimulate and keep the very best personnel at executive levels.

Respectfully,

/s/ W. E. Colby

W. B. Colby Director

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STATINTL

DD/Pers/Pac: :bkf (24 Dec 74)
Revised: HEColby: bkr (8 Jan 75)



FACTS CONCERNING THOSE INDIVIDUALS BROUGHT INTO THE AGENCY BY MR. McCONE AND DR. SCHLESINGER

MR. JOHN A. McCONE

Mr. John McCone directed the hiring of one individual at the GS-15 level. That individual served from 22 October 1961 until 23 July 1965.

DR. JAMES R. SCHLESINGER

Dr. Schlesinger was more active in sponsoring individuals for positions in his newly-created Intelligence Community Staff than he was in hiring immediate staff assistants. From February to June 1973, he was responsible for bringing to duty for the Intelligence Community Staff two individuals at the GS-18 level and two individuals at the GS-15 level. He also sponsored the employment of another individual at the GS-15 level during this period for assignment to the Office of Strategic Research in the Directorate of Intelligence. Additionally, during this time frame, he hired another individual at Executive Pay Level V to act as a direct assistant and several months later that individual was transferred to the Intelligence Community Staff. also brought with him from the Atomic Energy Commission two secretaries and, additionally, sponsored four other secretaries for assignment to the Intelligence Community Staff.



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for the chartered purpose of the Intelligence Community Staff during this period is 55. There are 10 vacant senior professional positions in the Staff at this time, three at the GS-17 level, one at the GS-16 level, and six at the GS-15 level. These positions are identified as Program Evaluators, Intelligence Officers, and one Systems Analyst. I would suggest, at your convenience, that the can more fully describe the duties of these various positions.

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